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Review of the efficiency of the administrative and financial functioning of the United Nations

Proposed programme budget outline for the biennium 2000–2001

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the proposed programme budget outline for the biennium 2000–2001 (A/53/220). In the course of its deliberations, the Advisory Committee met with representatives of the Secretary-General, who provided additional information on the issues under consideration.

2. The Advisory Committee notes from paragraph 2 of the report (A/53/220) that "in the establishment of a preliminary estimate of resources for the biennium 2000–2001, the current level of appropriations, namely, $2,532.3 million, was taken as the starting-point". On this basis, the Secretary-General proposes a preliminary estimate of resources for the biennium 2000–2001, expressed in initial 1998–1999 prices, amounting to $2,468.5 million, as shown in the table contained in paragraph 2 of the report.

3. As indicated in paragraph 3 of the report (A/53/220), a provision of $1.9 million relating to one-time costs in 1998–1999 would not be required. This provision related mainly to costs of the interim secretariat of the United Nations Convention to Combat Desertification and to other costs associated with the convening in 1998 of the special session of the General Assembly devoted to countering the world drug problem and the United Nations *Treaty Series*.

4. A provision of $61.9 million representing the current 1998–1999 appropriations for special political missions has not been included in the budget outline for 2000–2001. In paragraph 4 of the report (A/53/220), it is recalled that a provision was made in the outline for 1998–1999 for possible mandates relating to existing political missions, however, the General Assembly decided by its resolution 51/220 to exclude such a provision and requested the Secretary-General to examine all issues related to the question of additional expenditures and to report accordingly. In the requested report (A/C.5/51/57), the

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Secretary-General indicated that, biennium after biennium, there was a need for resources for special missions and that it would be desirable to provide those resources in advance. Accordingly, the Secretary-General suggested two possible ways of doing so: (a) to include projected requirements in the outline or (b) to exclude requirements from the outline but include a contingency provision for such needs. The Secretary-General expressed a preference for option (a). The Advisory Committee, in its report (A/52/7/Add.2), concurred with that preference and recommended that the General Assembly endorse that approach. The Advisory Committee also pointed out that additional requirements would have to be dealt with in accordance with General Assembly resolution 41/213. The General Assembly, however, has so far taken no action on the proposal. In the absence of General Assembly action on this matter, the previous practice is being followed by the Secretary-General, and political missions which are funded in the current budget and not yet mandated for 2000–2001, have been omitted from the proposed outline. The Advisory Committee was informed that requirements related to special political missions for 2000–2001 are estimated at $112.0 million at initial 1998–1999 rates as follows:

A. Under Security Council mandate	**United States dollars**
Special Envoy of the Secretary-General in Africa	598 400
Representative and Regional Humanitarian Adviser of the Secretary-General for the Great Lakes Region	5 087 200
United Nations Office in Bougainville, Papua New Guinea	3 087 200
Somalia	3 100 200
Office of the Personal Representative of the Secretary-General in Cambodia	1 642 600
United Nations Peace-building Support Office in Liberia (UNOL)	4 807 400
United Nations Office in Burundi	4 495 000
Subtotal A	22 818 000
B. Under General Assembly mandate	
Central American Peace Process	438 200
Afghanistan	14 800 000
United Nations Verification Mission in Guatemala (MINUGUA)	57 570 200
International Civilian Mission in Haiti (MICIVIH)	17 000 000
Subtotal B	89 808 400
Grand total	112 626 400

5. The Advisory Committee maintains its previous position with regard to the inclusion of special missions in the outline (see paragraphs 10 and 11 below).

6. An estimated provision of $20.0 million is included in the budget outline in connection with a number of mandates that exist for the convening of major conferences and special sessions during the biennium 2000–2001. Paragraph 6 of the report of the Secretary-General (A/53/220) contains a list of such mandates.

7. The Advisory Committee notes from the table in paragraph 2 and from paragraph 7 of the report (A/53/220) that $20.0 million related to compensating economies have been excluded from the budget outline for the biennium 2000–2001. The report does not specify the nature of such economies, nor does it indicate the programmes of activities or objects of expenditures that will be subjected to "the most intense scrutiny within the Secretariat" (A/53/220, para. 7). The representatives of the Secretary-General were not able to justify the level of compensating economies of $20.0 million that would be realized during 2000–2001. The Advisory Committee could therefore only conclude that the figure of $20 million was arrived at in a fairly arbitrary manner. Although the effort to achieve a more efficient utilization of resources is an ongoing one, the Advisory Committee is of the opinion that the place to reflect the results of such efforts should be in the proposed programme budget and/or the performance reports, where they can be explained and justified in detail, together with an indication of any impact on mandated activities.

8. As indicated in paragraph 12 of the report of the Secretary-General, the contingency fund, approved at 0.75 per cent of the overall level of resources for the first outline has been maintained at that level for all subsequent ones. The Secretary-General proposes that for the biennium 2000–2001, the size of the contingency fund be maintained at the same level, that is 0.75 per cent of the proposed outline. The Advisory Committee concurs in the Secretary-General's proposal and points out that the contingency fund will be utilized in accordance with General Assembly resolutions 41/213 and 42/211. This should be brought to the attention of governing bodies whenever decisions involving financial implications are taken.

9. The Advisory Committee was informed that should the revised rates for 1998–1999 be used, the preliminary estimates for the biennium 2000–2001 would amount to $2,439.0 million. The Advisory Committee points out that had the Secretary-General included in the preliminary estimates for the biennium 2000–2001 a provision of $110.0 million (at revised 1998–1999 rates) for special political missions and that had he maintained a provision of $19.8 million (at revised 1998–1999 rates) instead of deducting this amount for "compensating economies", the preliminary estimates for the biennium 2000–2001 would have amounted to $2,568.8 million at revised 1998–1999 rates.

10. The Advisory Committee therefore recommends that the General Assembly adopt a preliminary estimate of $2,568.8 million at revised 1998–1999 rates for the biennium 2000–2001.